

IN THE SENATE

SENATE BILL NO. 1146

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING SECTION 33-522, IDAHO CODE, TO REVISE PROVISIONS RELATING TO CERTAIN CONDITIONS CONCERNING THE DECLARATION OF A FINANCIAL EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-522, Idaho Code, be, and the same is hereby amended to read as follows:

33-522. FINANCIAL EMERGENCY. (1) Prior to declaring a financial emergency, the board of trustees shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the school district.

(2) If the state department of education certifies that one (1) or more of the conditions in paragraph (a), (b) or (c) of this subsection are met, then the board of trustees may declare a financial emergency if it determines that the condition in paragraph (f) of this subsection is also met. Alternatively, the board of trustees may declare a financial emergency if it determines that either of the conditions in paragraph (d) or (e) of this subsection are met and the state department of education certifies that the condition set forth in paragraph (f) of this subsection is also met.

(a) Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by one and one-half percent (1 1/2%) or more from any prior fiscal year.

(b) The minimum instructional salary provision in section 33-1004E, Idaho Code, is reduced by one and one-half percent (1 1/2%) or more from any prior fiscal year.

(c) The amount of total general fund money appropriated per support unit is reduced by greater than three percent (3%) from the original general fund appropriation per support unit of any prior fiscal year.

(d) The amount of property tax revenue to be collected by the school district that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than ~~five~~ one and one-half percent (~~5~~1 1/2%) of the school district's general fund budget for combined state and local revenues from the prior fiscal year.

(e) The school district's general fund has decreased by at least ~~three~~ one and one-half percent (~~3~~1 1/2%) from the previous year's level due to a decrease in funding or natural disaster, but not as a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy.

(f) The school district's unrestricted general fund balance, which excludes funds restricted by state or federal law and considering both an-

1 anticipated expenditures and revenue, is less than five and one-half per-
2 cent (5 1/2%) of the school district's unrestricted general fund budget
3 at the time the financial emergency is declared or for the fiscal year
4 for which the financial emergency is declared.

5 (3) Upon its declaration of a financial emergency, the board of
6 trustees shall:

7 (a) Have the power to reopen the salary and benefits compensation as-
8 pects of the negotiated agreement, including the length of the certifi-
9 cated employee contracts and the amount of compensation and benefits;
10 and

11 (b) If the parties to the negotiated agreement mutually agree, reopen
12 other matters contained within the negotiated agreement directly af-
13 fecting the financial circumstances in the school district.

14 If the board of trustees exercises the power provided in this subsection con-
15 sistent with the requirements of subsection (2) of this section, both the
16 board of trustees and the local education association shall meet and confer
17 in good faith for the purpose of reaching an agreement on such issues.

18 (4) If, after the declaration of a financial emergency pursuant to
19 subsection (2) of this section, both parties have met and conferred in good
20 faith and an agreement has not been reached, the board of trustees may impose
21 its last, best offer, following the outcome of the due process hearing held
22 pursuant to section 33-515(7), Idaho Code.

23 (5) A financial emergency declared pursuant to subsection (2) of this
24 section shall be effective for only one (1) fiscal year at a time and shall
25 not be declared by the board of trustees for a second consecutive year, un-
26 less so qualified by additional reductions pursuant to the conditions listed
27 in subsection (2) of this section.

28 (6) The time requirements of sections 33-514(2) and 33-515(2), Idaho
29 Code, shall not apply in the event a financial emergency is declared pursuant
30 to subsection (2) of this section.